

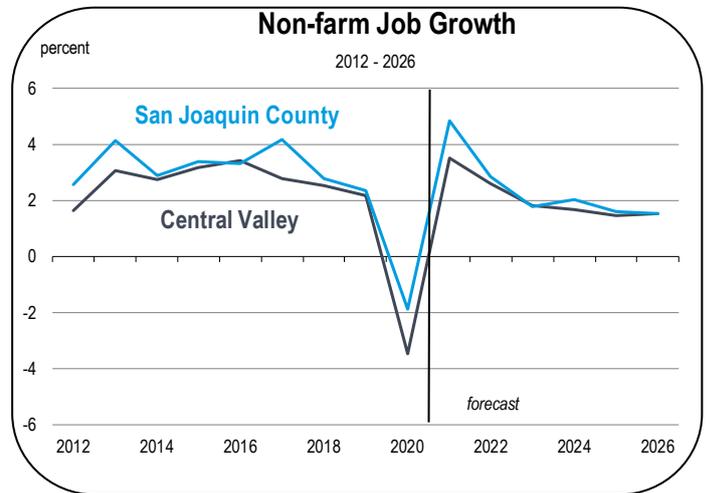
# San Joaquin County Economic Forecast

## Forecast Summary

- The unemployment rate averaged 8.6 percent in 2021 and fell sharply in 2022, to 5.3 percent.
- Farm, construction, manufacturing, information and healthcare all experienced significant gains in employment.
- The leisure and hospitality sector added 2,650 jobs in 2021 and is on pace to create another 2,000 jobs in 2022.
- The total workforce has entirely recovered from the pandemic recession of 2020. Momentum in 2022 has been strong, positioning the county for continued growth in job creation during 2023, despite higher interest rates and inflation.
- The county is among the fastest growing in California in terms of population (and employment). Growth is forecast to be 1.3 percent in 2022 and 1.4 percent in 2023.

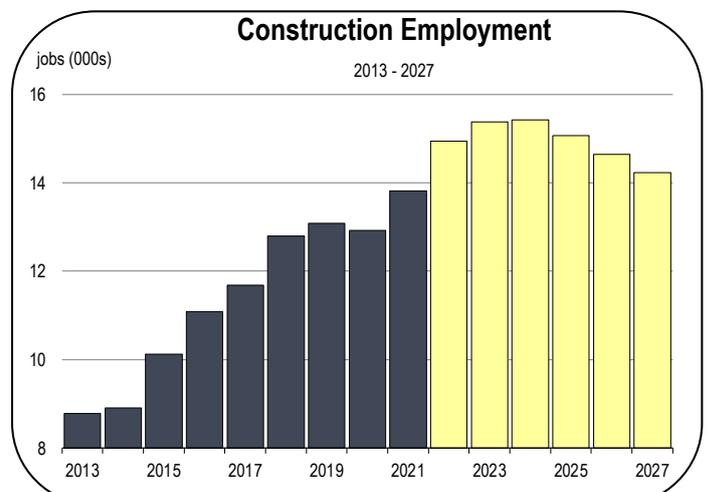
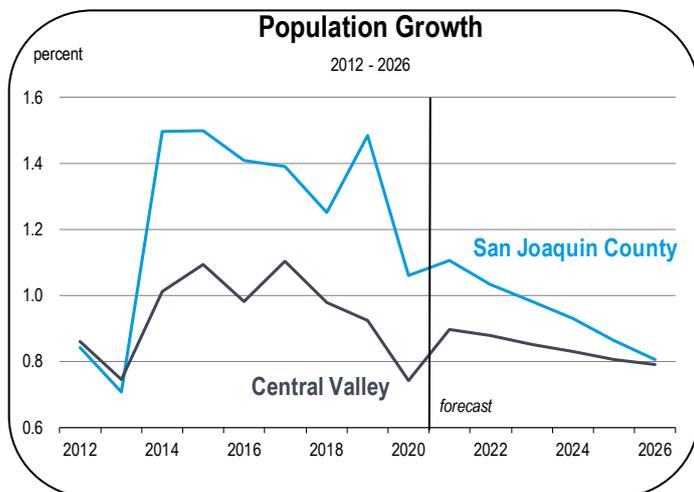
## Job Growth

- Total employment in San Joaquin County will rise 4.4 percent in 2022, following a 4.1 percent surge in 2021.
- Between 2022 and 2027, job growth will average 2.1 percent.
- The demand in total employment is forecast at 24,000 jobs between 2022 and 2027.

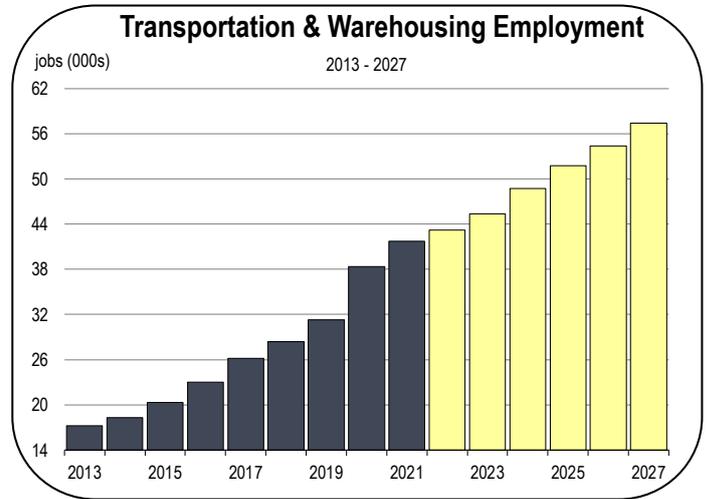
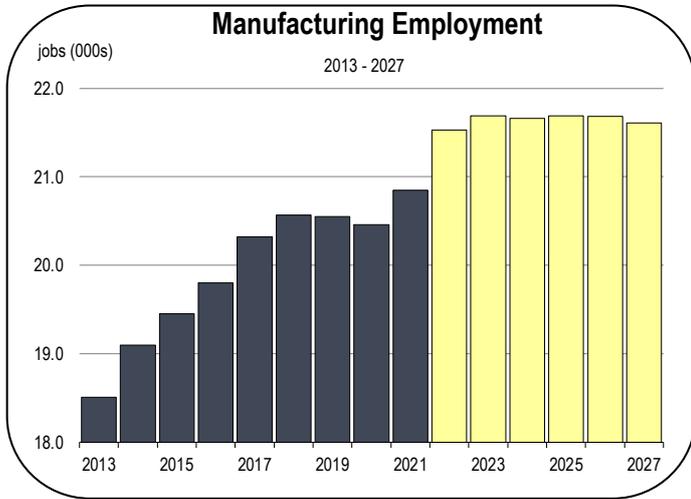


## Construction Employment

- The construction workforce in the county nearly doubled in size since 2013.
- The pandemic momentarily interrupted this growth trend but as of early 2021 all construction jobs had been restored.
- Over the next 5 years, several thousand new residential units will be started and completed in Stockton and across the County. Employment within the construction trades is forecast to expand through 2024. After 2024, growth in the construction workforce is expected to moderate.



# San Joaquin County Economic Forecast



## Manufacturing Employment

- San Joaquin county has heavy concentrations in food manufacturing and construction material manufacturing.
- Mild growth in manufacturing is forecast over the next 5 years, though longer term, a contraction is likely due to robotics and other advances in technology.

## Transportation and Warehousing Employment

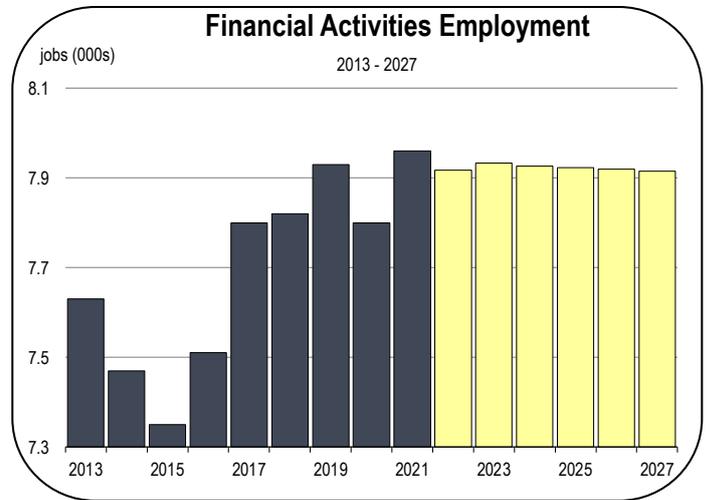
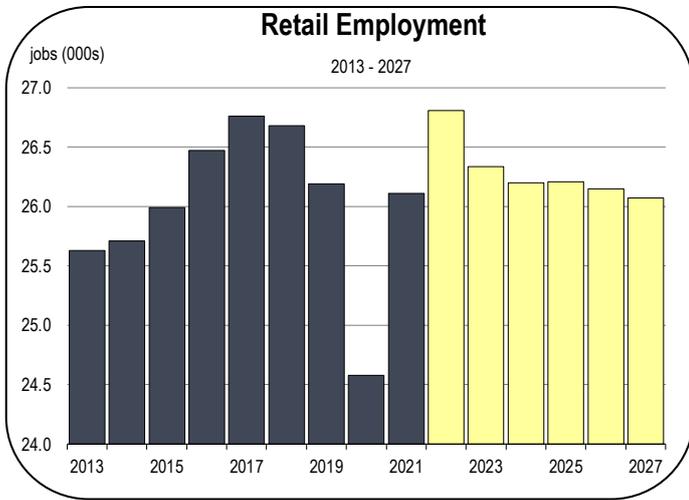
- Most transportation jobs in San Joaquin County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.

- Companies often choose San Joaquin County for their fulfillment centers due to its low-cost real estate and proximity to the Port of Oakland.
- Like most other regional economies in California, the transportation and warehousing sector was not impacted by the restrictions imposed on the economy during the ebb and flow cycles of the pandemic in 2020 and early 2021.
- The largest employer in this sector is Amazon, located in Stockton and in Tracy. The company’s facilities include warehousing, two fulfillment center locations in Stockton and two in Tracy totaling 4 million square feet, a logistics center in Tracy and Stockton, and the Amazon Gateway at the Stockton Airport.
- The City of Tracy alone estimates the total Amazon workforce at 4,600 employees.



Amazon fulfillment center in Tracy

# San Joaquin County Economic Forecast



- The 2.2 million Safeway Distribution Center in Tracy employs an estimated 1,400 workers. Home Depot operates a 646,000 square foot distribution center also in Tracy. Smucker’s distribution center is 480,000 square feet. Costco Distribution and Food Processing facilities are also located in Tracy, and employ approximately 700 workers.
- Costco has also formally proposed the construction and operation of two additional distribution buildings totaling 1.8 million square feet. The warehouses would support the existing distribution and e-commerce facilities in Tracy.

## Retail Trade Employment

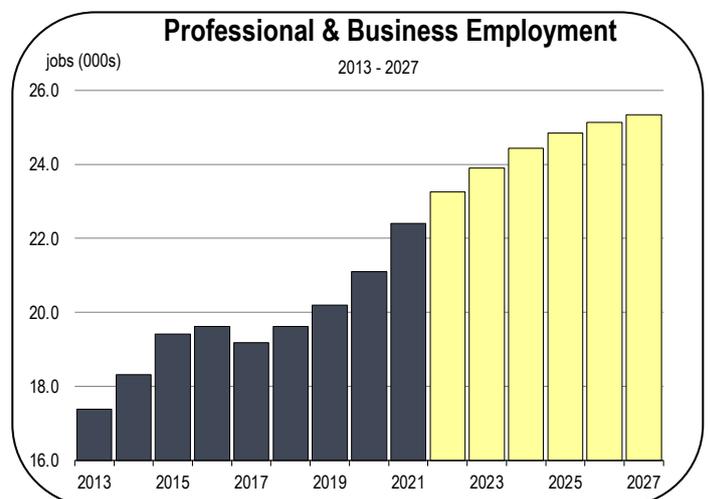
- Retail jobs that were lost with the economic shutdowns during 2020 were recovered in 2021, but the substitution by consumers to purchase goods online over local retail stores is creating the disruption in the retail trade labor market.
- Consumers opting to purchase goods online instead of at local brick-and-mortar stores will cause employment to contract over the forecast period.

## Financial Activities Employment

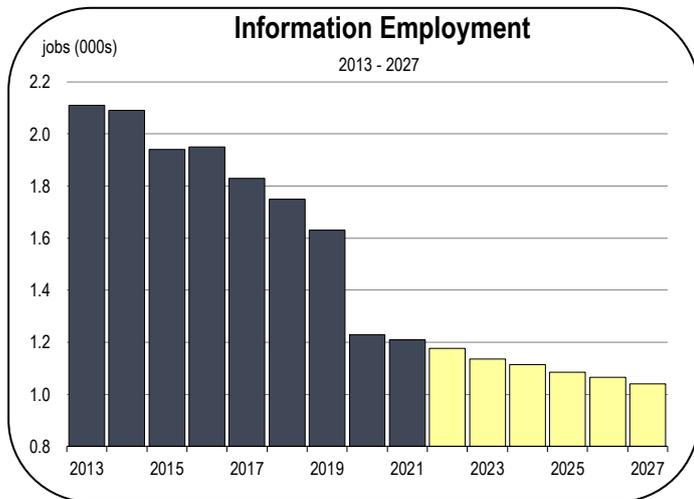
- The San Joaquin County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- Blue Shield employs about a quarter of the financial activities industry at its office in Lodi.
- The industry grows its workforce levels over the forecast. There will be a meaningful expansion of the real estate and banking industries to accommodate a rapidly growing population.

## Professional and Business Services Employment

- The professional and business services sector expanded by 6.2 percent in 2021; adding 1,100 jobs.
- Employment in the sector will rise faster than any other labor market over the forecast. In 2022, the pace of job creation will result in 1,500 new workers.
- The professional and business services sector is on a trajectory to create a major share of jobs in San Joaquin County over the indefinite future as the Valley becomes a principal destination of Bay area workers seeking affordable housing.

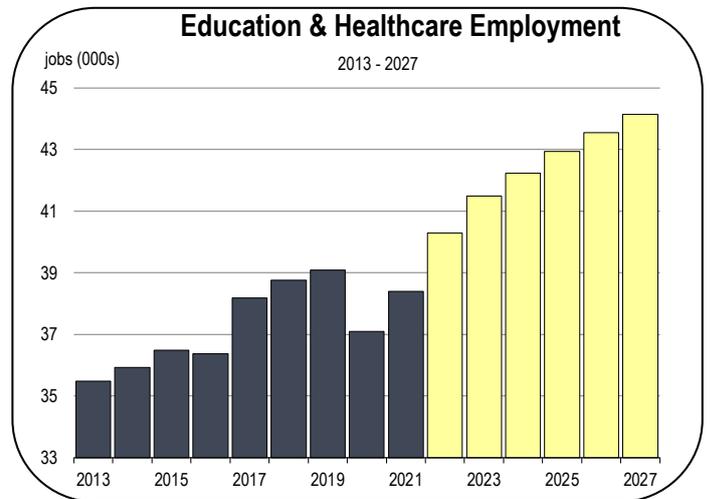


# San Joaquin County Economic Forecast



## Information Employment

- In San Joaquin County, the information sector is largely comprised of radio and TV broadcasting, movie theaters, and telecommunications companies like Comcast. It also has newspapers, software, Internet, and data services firms.
- The decline in job opportunities in information is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, libraries, movie theaters, book, newspaper, and periodical publishing. This is no less true for the San Joaquin County information market.
- Employment growth will remain in some radio, TV, and video production, with small numbers of jobs also created in software publishing and data/Internet services.



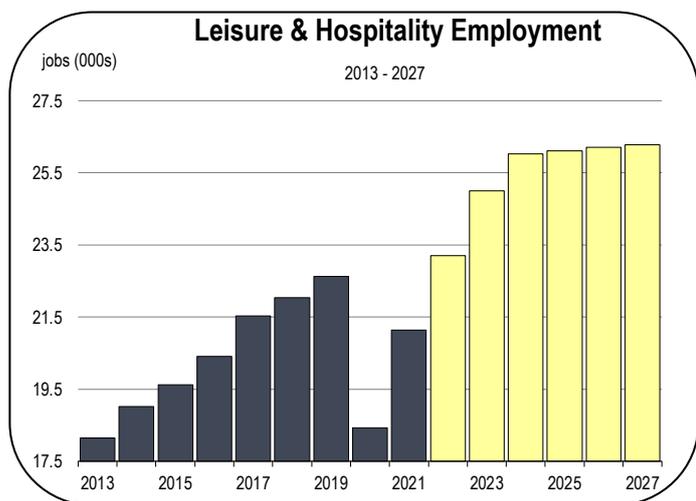
## Private Education and Healthcare Employment

- Employment in healthcare rebounded sharply in 2021. In 2022, employment will rise by 1,400 jobs to an all-time high.
- The largest healthcare providers in the County include:
  - Dameron Hospital
  - Lodi Home Health Agency
  - Lodi Memorial Hospital
  - Blue Shield of California
  - San Joaquin General Hospital
  - St Joseph's Medical Center
  - Kaiser Permanente
- St Joseph's employs 4,600 people and is the largest healthcare organization in the County. Kaiser has 1,200 on staff and the estimated headcount at Lodi Memorial is now at 1,100.
- Because population growth is forecast to remain positive over the indefinite future, largely due to the natural increase but also as a result of net in-migration, healthcare services will remain in steady demand. The sector will create an estimated 5,200 jobs between 2022 and 2027.



St Joseph's Medical Center in Stockton, California  
The Center has a 355 bed capacity and a physician staff of 700

# San Joaquin County Economic Forecast



## Leisure and Hospitality Employment

- On an annual average basis, 2,650 jobs were restored at restaurants and bars during 2021; an increase of 14.7 percent.
- More than 300 jobs were restored in the arts, entertainment and recreation subsector, and approximately 2,300 jobs were reinstated within the hotel/motel and other lodging sector.
- The 2021 rebound in jobs has continued into 2022. The county is on pace to add another 2,000 jobs, mostly at restaurants and bars.
- The surge in travel, dining, drinking, and recreation throughout San Joaquin County will extend into 2023, despite a slowing economy challenged with high interest rates and high inflation. The employment forecast calls for the creation of another 1,800 jobs.

## Government Employment

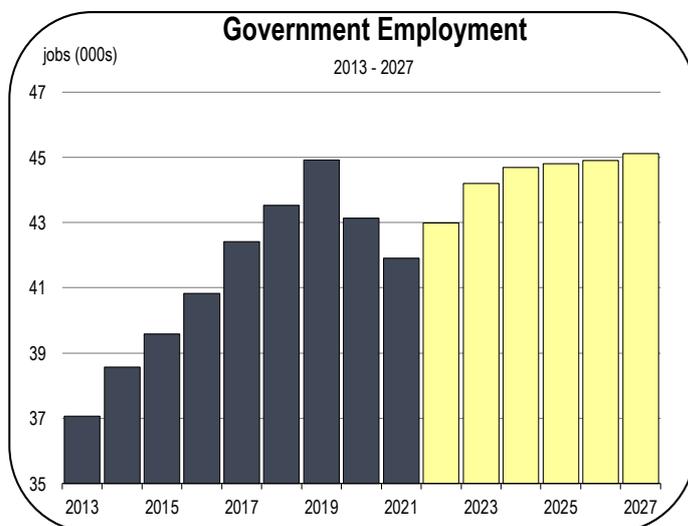
- The public sector employs 43,000 workers in the County, representing 15 percent of all wage and salary jobs.
- The public sector will add jobs in tandem with the county’s growth in population. However, private sector employment growth will exceed public sector growth, largely due to the demand for professional workers and jobs in transportation, warehousing and distribution.

- The largest public sector employers include:

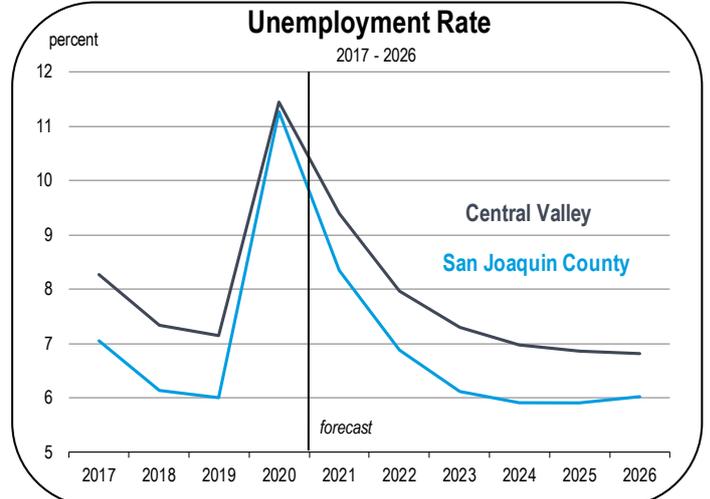
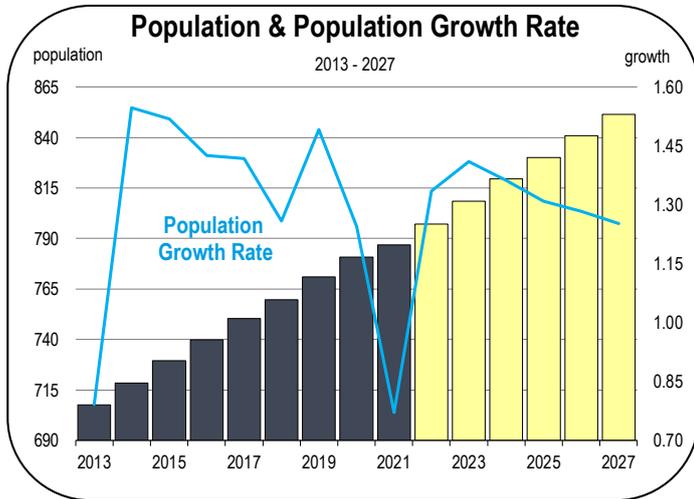
Organization	Headcount
San Joaquin County	6,000
State of California	5,301
Stockton Unified School District	5,205
Lodi Unified School District	4,131
Manteca Unified School District	3,110
City of Stockton	2,099
San Joaquin County Office of Education	2,000
Tracy Unified School District	1,782
San Joaquin General Hospital	1,780
Defense Distribution Center San Joaquin	1,375

Source: Central California Center Yourself

- K-12 school enrollment is forecast to remain constant through 2025, but university, college, and community college age populations (Gen Z) will increase over the next 5 years.

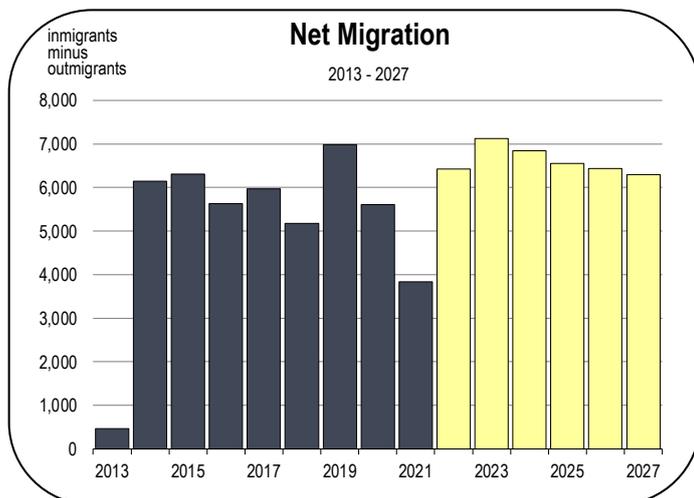


# San Joaquin County Economic Forecast



## Population Growth

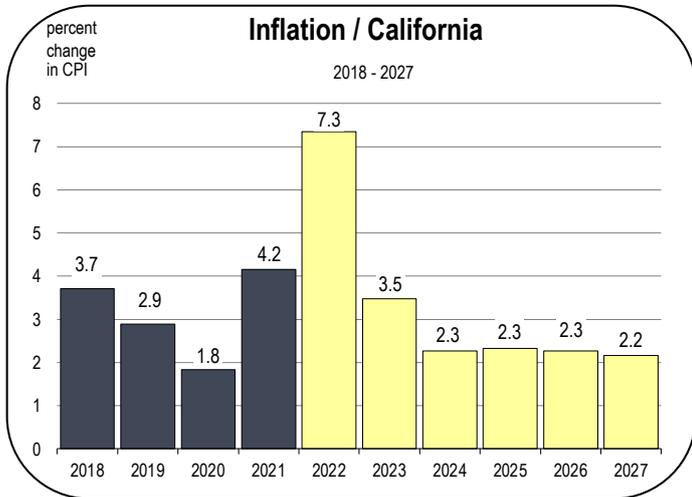
- The growth of population in San Joaquin County will exceed the average for all of California between 2022 and 2027.
- Net migration has been a principal contributor to population growth in the past. It is expected to remain meaningful to population growth as residents relocate from the Bay Area for more affordable housing options in San Joaquin County.
- An average of 6,500 net migrants are expected to move into San Joaquin County each year between 2022 and 2027.
- The population will expand at an annual average rate of 1.1 percent per year from 2022 to 2027. By 2027, the San Joaquin County population will surpass 840,000 residents.



## Unemployment and Inflation Rates

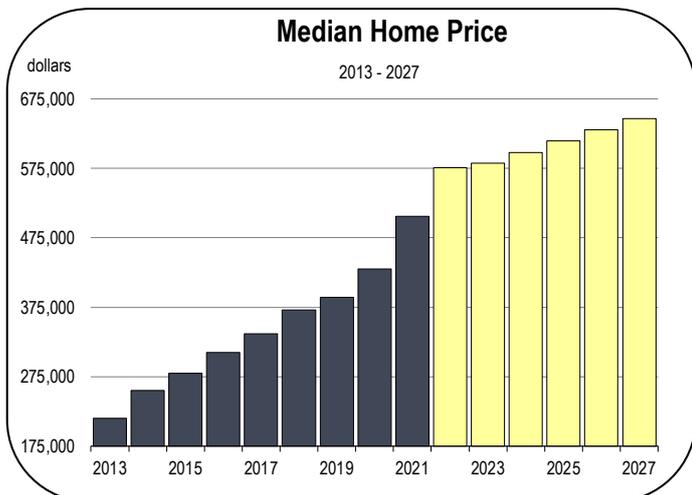
- The unemployment rate averaged 8.7 percent in 2021. An unemployment rate below 7.0 percent signifies a fully employed workforce in San Joaquin County.
- The unemployment rate is expected to average 5.3 percent in 2021 and 6.9 percent in 2022.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

# San Joaquin County Economic Forecast



## Home Prices and New Housing Production

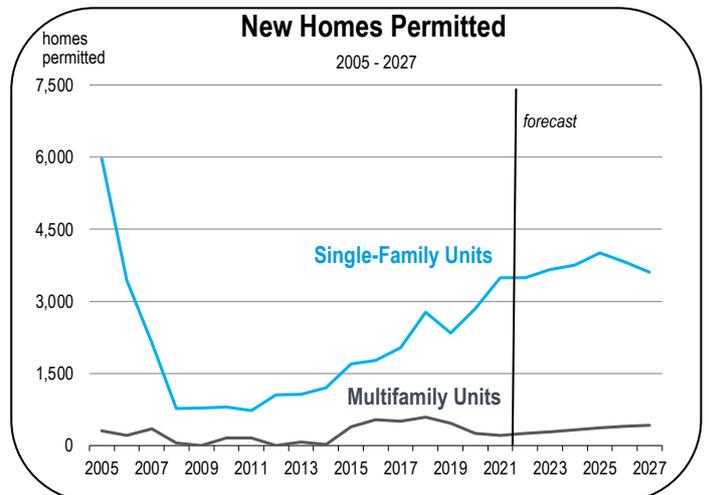
- In 2021 the median home value in San Joaquin County was \$505,000, an increase of 18 percent from the previous year. During 2022, values have continued to rise with the median price reaching \$560,000 in June. Since then however, the median price has retreated to \$505,000 in November.
- Homes in San Joaquin County are more affordable than homes across California, especially Coastal California.
- In San Joaquin County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.



- There is significant construction occurring in San Joaquin County, both residential and non-residential.
- Residential and non-residential development represent key engines of growth for San Joaquin County in the short term.
- From 2016 to 2021, an average of 2,800 new homes were started per year in San Joaquin County. Approximately 83 percent were single-family homes.
- Housing production is expected to average 3,800 units per year from 2022 to 2027.

### San Joaquin County Development

- Development is thriving across San Joaquin County. Lathrop, Manteca, and Tracy all have thousands of units in their pipelines. Below are the principle projects happening across the county:
  - Stockton
    - Grand View Village (75 affordable residential units)
    - CalMain Loft Apartments (42 residential units)
    - Central Industrial Center (1.1 million square feet)
  - Tracy
    - Tracy Village (590 single family units)
    - Glenbriar Apartments (264 residential units)
  - Lodi
    - Vineyard Valley Project (743 residential units)
    - Lakehouse Boutique Project (150 apartment units, 92-room hotel)
  - Manteca
    - Griffin Park (1,301 residential units)



# San Joaquin County Economic Forecast

## River Islands

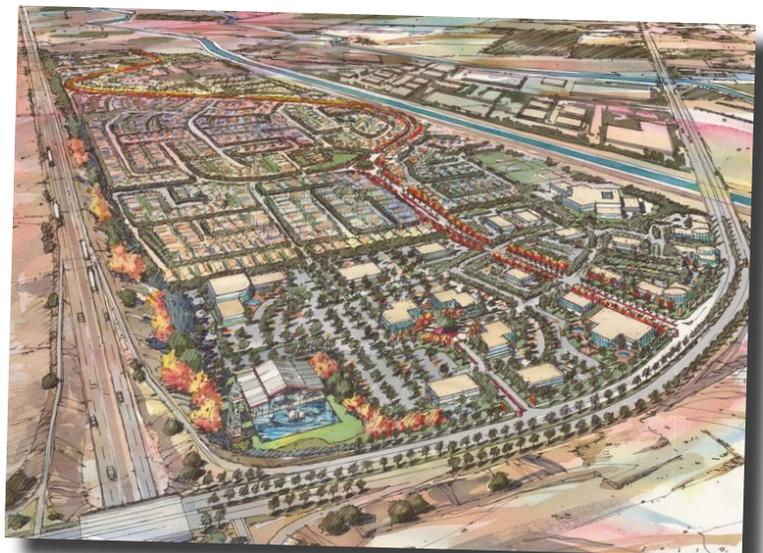
- River Islands is a near 5,000-acre property located in Lathrop, approximately 55 miles from Sacramento and 60 from San Jose. River Islands has been approved for the construction of 15,000 homes, nine schools, downtown retail center, and 5+ million square feet of office space.
- Hundreds of houses have already been built in many different neighborhoods. Two K-8 schools have also been completed with a third set to be done within the month. The total 15,000 homes are predicted to be built over the next 20+ years.



River Islands Community

## Tracy Hills

- Tracy Hills is a 5,411-acre area planned to contain 4,704 units. Tracy Hills is located in the foothills of southwest Tracy, which is 45 minutes from the San Francisco Bay Area. It is also around 50 miles from Silicon Valley.
- The Tracy Hills Development is organized into 10 villages and is being developed by Lennar, Meritage, and Shea Homes. Two Villages are completely sold out with a third village on its way.
- Of the 10 villages, 4 have yet to be developed along with a planned elementary school.



Tracy Hills Planned Community

# San Joaquin County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	729,411	221.4	6,310	2,085	632	\$29.0	\$7.1	\$10.6	\$5.9	\$47,376	8.9	\$3.3	1.4
2016	739,814	224.0	5,634	2,305	659	\$30.5	\$7.5	\$11.1	\$5.7	\$48,046	8.1	\$2.7	2.3
2017	750,306	226.0	5,972	2,545	667	\$31.9	\$8.1	\$12.4	\$5.9	\$48,120	7.1	\$2.9	3.0
2018	759,753	228.9	5,178	3,362	683	\$33.6	\$8.7	\$13.5	\$6.3	\$48,312	6.1	\$2.8	3.7
2019	771,083	232.4	6,981	2,797	708	\$35.9	\$8.9	\$14.4	\$6.5	\$49,416	6.0	\$2.8	2.9
2020	780,676	234.8	5,610	3,088	720	\$40.9	\$10.1	\$15.4	\$7.0	\$54,572	11.3	\$3.2	1.8
2021	786,700	238.6	3,840	3,708	741	\$42.4	\$14.9	\$22.2	\$7.1	\$53,890	8.7	\$3.1	4.2
2022	797,202	242.1	6,427	3,738	762	\$46.4	\$13.3	\$21.0	\$7.3	\$54,164	5.3	\$3.4	7.3
2023	808,448	245.8	7,123	3,944	779	\$48.9	\$13.6	\$21.2	\$7.5	\$54,401	5.6	\$3.6	3.5
2024	819,456	249.7	6,845	4,083	792	\$50.7	\$13.8	\$21.4	\$7.6	\$54,511	5.9	\$3.7	2.3
2025	830,182	253.8	6,554	4,375	803	\$53.4	\$14.0	\$21.7	\$7.8	\$55,321	6.0	\$3.7	2.3
2026	840,833	258.1	6,439	4,218	813	\$55.9	\$14.2	\$22.0	\$7.9	\$55,930	6.3	\$3.7	2.3
2027	851,360	262.3	6,301	4,026	823	\$58.6	\$14.4	\$22.3	\$8.1	\$56,713	6.6	\$3.7	2.2
2028	861,160	266.3	5,544	3,832	832	\$61.4	\$14.6	\$22.7	\$8.3	\$57,468	6.9	\$3.7	2.2
2029	870,849	270.1	5,356	3,707	840	\$63.9	\$14.9	\$23.2	\$8.4	\$57,811	6.9	\$3.7	2.3
2030	880,498	273.8	5,262	3,582	847	\$66.4	\$15.3	\$23.8	\$8.5	\$58,136	6.9	\$3.7	2.2
2031	889,893	277.4	5,160	3,484	855	\$69.0	\$15.7	\$24.4	\$8.6	\$58,515	6.8	\$3.7	2.1
2032	899,003	280.8	5,060	3,434	862	\$71.5	\$16.1	\$25.0	\$8.7	\$58,721	6.8	\$3.7	2.3
2033	907,903	284.2	4,955	3,340	868	\$74.1	\$16.4	\$25.5	\$8.8	\$59,078	6.8	\$3.7	1.9
2034	916,492	287.6	4,857	3,239	873	\$76.7	\$16.8	\$26.0	\$8.9	\$59,343	6.8	\$3.7	2.1
2035	924,835	290.8	4,763	3,139	877	\$79.4	\$17.2	\$26.7	\$8.9	\$59,590	6.8	\$3.7	2.2
2036	932,885	293.9	4,680	3,066	882	\$82.3	\$17.7	\$27.5	\$9.0	\$59,647	6.8	\$3.7	2.6
2037	940,691	296.9	4,601	2,969	886	\$85.3	\$18.2	\$28.3	\$9.0	\$59,680	6.8	\$3.7	2.7
2038	948,068	299.9	4,422	2,870	890	\$88.3	\$18.7	\$29.1	\$9.1	\$59,832	6.8	\$3.7	2.5
2039	955,062	302.7	4,244	2,793	894	\$91.4	\$19.3	\$29.9	\$9.2	\$59,898	6.8	\$3.7	2.7
2040	961,574	305.5	4,065	2,739	898	\$94.6	\$19.8	\$30.7	\$9.2	\$60,013	6.8	\$3.7	2.6
2041	967,625	308.2	3,881	2,629	902	\$97.8	\$20.2	\$31.4	\$9.3	\$60,277	6.8	\$3.7	2.2
2042	973,302	310.9	3,696	2,511	905	\$100.9	\$20.7	\$32.1	\$9.3	\$60,553	6.8	\$3.7	2.1
2043	978,641	313.3	3,511	2,391	908	\$104.0	\$21.1	\$32.8	\$9.4	\$60,852	6.8	\$3.7	2.0
2044	983,669	315.7	3,323	2,276	911	\$107.0	\$21.5	\$33.4	\$9.4	\$61,227	6.8	\$3.7	1.8
2045	988,351	318.0	3,136	2,163	914	\$110.1	\$22.0	\$34.1	\$9.5	\$61,532	6.8	\$3.7	1.9
2046	992,752	320.1	2,952	2,053	916	\$113.2	\$22.5	\$34.9	\$9.5	\$61,750	6.8	\$3.7	2.0
2047	996,868	322.2	2,771	1,947	919	\$116.4	\$23.0	\$35.7	\$9.6	\$61,854	6.8	\$3.7	2.2
2048	1,000,907	324.1	2,790	1,845	921	\$119.7	\$23.6	\$36.6	\$9.6	\$61,912	6.8	\$3.7	2.3
2049	1,004,819	325.9	2,805	1,750	924	\$123.0	\$24.1	\$37.4	\$9.7	\$62,125	6.8	\$3.7	2.0
2050	1,008,600	327.7	2,820	1,663	926	\$126.3	\$24.7	\$38.3	\$9.7	\$62,285	6.8	\$3.7	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	234.8	16.7	10.1	19.5	20.3	36.6	7.4	19.4	1.9	36.5	19.6	39.6
2016	242.0	16.7	11.1	19.8	23.0	37.2	7.5	19.6	2.0	36.4	20.4	40.8
2017	251.1	16.4	11.7	20.3	26.2	37.9	7.8	19.2	1.8	38.2	21.5	42.4
2018	257.0	15.6	12.8	20.6	28.4	38.3	7.8	19.6	1.8	38.8	22.0	43.5
2019	262.4	15.4	13.1	20.6	31.3	37.8	7.9	20.2	1.6	39.1	22.6	44.9
2020	256.6	14.3	12.9	20.5	38.3	35.1	7.8	21.1	1.2	37.1	18.4	43.1
2021	267.1	13.7	13.8	20.9	41.7	36.9	8.0	22.4	1.2	38.4	21.1	41.9
2022	278.9	14.1	14.9	21.5	43.2	37.9	7.9	23.2	1.2	40.3	23.2	43.0
2023	286.0	14.1	15.4	21.7	45.3	37.7	7.9	23.9	1.1	41.5	25.0	44.2
2024	291.5	14.1	15.4	21.7	48.7	37.7	7.9	24.4	1.1	42.2	26.0	44.7
2025	295.8	14.1	15.1	21.7	51.7	37.9	7.9	24.8	1.1	42.9	26.1	44.8
2026	299.4	14.1	14.6	21.7	54.4	38.1	7.9	25.1	1.1	43.6	26.2	44.9
2027	303.3	14.1	14.2	21.6	57.4	38.3	7.9	25.3	1.0	44.1	26.3	45.1
2028	306.6	14.1	13.9	21.6	59.9	38.5	7.9	25.5	1.0	44.7	26.4	45.3
2029	309.7	14.1	13.7	21.5	62.0	38.6	7.9	25.7	1.0	45.3	26.5	45.4
2030	312.1	14.1	13.5	21.5	63.4	38.8	7.9	25.8	1.0	45.9	26.6	45.5
2031	314.8	14.1	13.3	21.4	65.3	39.0	7.9	25.9	1.0	46.4	26.8	45.6
2032	317.5	14.1	13.1	21.4	67.2	39.1	7.9	26.0	0.9	47.0	26.9	45.7
2033	319.1	14.1	13.0	21.3	67.9	39.3	7.9	26.1	0.9	47.5	27.1	45.7
2034	320.5	14.1	12.7	21.3	68.5	39.5	7.9	26.2	0.9	48.0	27.2	45.8
2035	321.8	14.1	12.5	21.3	69.1	39.6	7.9	26.3	0.9	48.5	27.3	45.9
2036	323.1	14.1	12.3	21.3	69.6	39.8	7.9	26.3	0.9	49.1	27.5	46.0
2037	324.3	14.1	12.0	21.3	70.0	40.0	7.9	26.4	0.8	49.6	27.6	46.1
2038	325.5	14.1	11.8	21.3	70.4	40.1	7.9	26.5	0.8	50.0	27.8	46.2
2039	326.6	14.1	11.7	21.2	70.8	40.3	7.9	26.6	0.8	50.5	27.9	46.2
2040	327.8	14.1	11.6	21.2	71.1	40.5	7.9	26.6	0.8	50.9	28.0	46.3
2041	328.9	14.1	11.5	21.2	71.4	40.6	7.9	26.7	0.8	51.4	28.2	46.4
2042	329.8	14.1	11.3	21.2	71.7	40.8	7.9	26.8	0.7	51.7	28.3	46.5
2043	330.7	14.1	11.0	21.2	72.0	41.0	7.9	26.8	0.7	52.1	28.4	46.6
2044	331.6	14.1	10.9	21.2	72.2	41.1	7.9	26.9	0.7	52.5	28.5	46.7
2045	332.4	14.1	10.7	21.2	72.4	41.3	7.9	26.9	0.7	52.8	28.7	46.8
2046	333.1	14.1	10.5	21.1	72.6	41.5	7.9	27.0	0.7	53.2	28.8	46.9
2047	333.9	14.1	10.2	21.1	72.8	41.6	7.9	27.0	0.7	53.5	28.9	46.9
2048	334.7	14.1	10.0	21.1	73.0	41.8	7.9	27.1	0.6	53.8	29.1	47.0
2049	335.4	14.1	9.8	21.1	73.2	42.0	7.8	27.2	0.6	54.1	29.2	47.1
2050	336.3	14.1	9.7	21.1	73.4	42.2	7.8	27.2	0.6	54.4	29.3	47.2

# San Joaquin County Economic Forecast

## Socioeconomic Indicators

